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General Assembly

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Substitute House Bill No. 6632

House of Representatives, April 6, 2009

The Committee on Energy and Technology reported through REP. NARDELLO of the 89th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING ENERGY EFFICIENCY AND THE COORDINATION OF ENERGY EFFICIENCY PROGRAMS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective January 1, 2010*) (a) (1) There is
2 established an Energy, Efficiency and Renewable Resources Board
3 which shall consist of the following members:

4 (A) A representative of each electric distribution company
5 designated by each such company;

6 (B) Two representatives of gas companies, designated by the state's
7 gas companies;

8 (C) A representative of the Connecticut Municipal Electric Energy
9 Cooperative, designated by said cooperative;

10 (D) A representative of a retail oil or propane company with
11 conservation experience, appointed by the minority leader of the

12 Senate;

13 (E) A representative of a state-wide business association,
14 manufacturing association or chamber of commerce, representing
15 businesses with more than fifty employees, appointed by the minority
16 leader of the House of Representatives;

17 (F) The Secretary of the Office of Policy and Management, or the
18 secretary's designee;

19 (G) The Commissioner of Environmental Protection, or the
20 commissioner's designee;

21 (H) The Commissioner of Social Services, or the commissioner's
22 designee;

23 (I) The Consumer Counsel, or the Consumer Counsel's designee;

24 (J) The executive director of the Legal Assistance Resource Center of
25 Connecticut, or the executive director's designee;

26 (K) A representative of residential consumers of energy and utility
27 services, appointed by the president pro tempore of the Senate;

28 (L) A representative of a private state-wide environmental
29 protection organization, appointed by the majority leader of the
30 Senate;

31 (M) An individual with expertise in energy and security matters,
32 appointed by the speaker of the House of Representatives;

33 (N) An individual with expertise in developing community-based
34 energy efficiency and renewable efforts, appointed by the majority
35 leader of the House of Representatives;

36 (O) Six members appointed by the Governor, one of whom shall
37 represent a retail deliverable fuel company other than oil, with
38 conservation experience, one of whom shall represent private sector
39 businesses engaged in developing or selling renewable or efficiency

40 technology, one of whom shall represent private sector businesses with
41 experience investing in renewable or efficiency technology, one of
42 whom shall represent a state-wide business association, manufacturing
43 association or chamber of commerce, representing businesses with less
44 than fifty employees, one of whom shall have expertise in education
45 and training for green jobs and one of whom shall have experience in
46 residential conservation, renewable resources and environmental
47 matters.

48 (2) All appointed members of the Energy, Efficiency and Renewable
49 Resources Board shall have expertise in energy, conservation or
50 renewable resources matters and shall serve in accordance with section
51 4-1a of the general statutes. Appointed members shall serve for a
52 period of five years and may be reappointed. Annually, the board shall
53 elect a chairperson and vice-chairperson from among its members and
54 shall adopt such bylaws and procedures it deems necessary to carry
55 out its functions. The board may establish committees and
56 subcommittees as necessary to conduct its business. Representatives of
57 the gas companies shall not vote on matters before the board unrelated
58 to gas conservation. Representatives of the electric distribution
59 companies and the Connecticut Municipal Electric Energy Cooperative
60 shall not vote on matters before the board unrelated to electricity
61 conservation. Any representative of an oil or propane company shall
62 not vote on matters before the board unrelated to oil or propane.
63 Representatives of the gas and electric distribution companies, the
64 Connecticut Municipal Electric Energy Cooperative and oil or propane
65 companies shall not vote on matters before the board related to the
66 retention and services of expert consultants or evaluations of
67 programs.

68 (3) The Energy, Efficiency and Renewable Resources Board shall (A)
69 advise the municipal electric energy cooperatives regarding programs
70 developed pursuant to section 7-233y of the general statutes, (B) advise
71 the gas companies regarding programs developed pursuant to section
72 16-32f of the general statutes, as amended by this act, (C) advise the
73 electric distribution companies regarding programs developed

74 pursuant to section 16-245m of the general statutes, as amended by this
75 act, (D) collaborate with the Department of Social Services regarding
76 coordination of energy and weatherization assistance administered or
77 funded by said department with conservation assistance available
78 pursuant to subsection (b) of this section and sections 7-233y, 16-32f
79 and 16-245m of the general statutes, as amended by this act, (E) act on
80 matters related to the Renewable Energy Investment Fund, including,
81 but not limited to, developing a comprehensive annual plan and
82 implementing an expenditure of funds pursuant to section 16-245n of
83 the general statutes, as amended by this act, (F) oversee development
84 and implementation of conservation assistance regarding deliverable
85 fuels pursuant to subsection (b) of this section, (G) facilitate, to the
86 extent practicable, the coordination and integration of energy,
87 conservation and renewable resources programs to simplify consumer
88 access to integrated services of all available resources, minimize
89 expenses in the administration of each program and reduce
90 environmental impacts and security risks of energy in the state, (H)
91 conduct an annual public hearing regarding conservation, load
92 management and renewable resource plans and the implementation of
93 such plans and summarize all public comments received for
94 consideration by the board in development of future plans, (I) retain
95 and direct expert consultants pursuant to subsection (b) of this section
96 and sections 7-233y, 16-32f and 16-245m of the general statutes, as
97 amended by this act, (J) direct evaluations of programs pursuant to
98 subsection (b) of this section and sections 7-233y, 16-32f and 16-245m
99 of the general statutes, as amended by this act, and (K) consolidate
100 annual reports to the joint standing committees of the General
101 Assembly having cognizance of matters relating to energy, the
102 environment and commerce, documenting conservation and
103 renewable resources program operation pursuant to subsection (b) of
104 this section and sections 7-233y, 16-32f and 16-245m of the general
105 statutes, as amended by this act, due on March first of each year.

106 (b) (1) For purposes of this subsection, "deliverable fuel" includes
107 fuel oil, propane, wood, coal and kerosene used for space heating or to
108 heat hot water, and "fuel oil" means the product designated by the

109 American Society for Testing and Materials as "Specifications for
110 Heating Oil D396-69", commonly known as number 2 heating oil, and
111 grade number 4, grade number 5 and grade number 6 fuel oil,
112 provided such heating and fuel oils are used for purposes other than
113 generating power to propel motor vehicles or for generating electricity.

114 (2) On or before January 1, 2010, the Energy, Efficiency and
115 Renewable Resources Board shall, after issuing a request for proposals,
116 select an entity qualified to administer and implement conservation
117 and energy efficiency programs for deliverable fuel customers to act as
118 the program administrator for such programs and shall enter into a
119 contract not to exceed three years for such purpose. At the expiration
120 of the contract, the board may renew the contract if it finds that the
121 administrator's performance has been satisfactory or the board may
122 issue a new request for proposals.

123 (3) Annually, such program administrator shall adopt a
124 comprehensive plan for the expenditure of funds by the administrator
125 to implement cost-effective deliverable fuel conservation programs
126 and market transformation initiatives for residential, commercial and
127 industrial deliverable fuel customers.

128 (4) Not later than October first of each year, such program
129 administrator shall submit such comprehensive plan to the
130 Department of Public Utility Control. The department shall, in an
131 uncontested proceeding during which the department may hold a
132 public hearing, approve, modify or reject the plan. The administrator
133 shall expend or cause to be expended available funds in conformity
134 with the plan approved by the department.

135 (5) The Energy, Efficiency and Renewable Resources Board shall
136 advise and assist the program administrator in developing and
137 implementing the plan submitted pursuant to subdivision (3) of this
138 subsection. The board shall accept, modify or reject each program in
139 the plan before the program administrator submits it to the
140 department for approval. The board, as part of its review, shall
141 examine opportunities to offer joint programs providing similar

142 efficiency measures that save more than one fuel resource or to
143 otherwise coordinate programs targeted at saving more than one fuel
144 resource to ensure available conservation and renewable resources are
145 integrated to the extent practicable to simplify consumer access to
146 integrated services of all available resources, minimize expenses in the
147 administration of each program and reduce environmental impacts
148 and security risks of energy in the state. Any costs for joint programs
149 shall be allocated equitably among the conservation programs.

150 (6) Programs included in the plan shall be screened through cost-
151 effectiveness testing that compares the value and payback period of
152 program benefits to program costs to ensure that the programs are
153 designed to obtain deliverable fuel savings greater than the costs of the
154 program. The department shall review program cost-effectiveness
155 annually, or otherwise as is practicable. If the department determines
156 that a program fails the cost-effectiveness test as part of the review
157 process, the program shall be modified to meet the test or be
158 terminated. On or before March first of each year, the board shall
159 provide a report, in accordance with the provisions of section 11-4a of
160 the general statutes, to the joint standing committees of the General
161 Assembly having cognizance of matters relating to energy, the
162 environment and commerce, that documents expenditures and
163 funding for such programs and evaluates the cost-effectiveness of such
164 programs conducted in the preceding year, including any increased
165 cost-effectiveness owing to offering programs that save more than one
166 fuel resource and integration of programs that save administrative
167 expenses.

168 (7) Programs included in the plan may include, but not be limited
169 to: (A) Conservation programs, including programs that benefit low-
170 income persons; (B) research, development and commercialization of
171 products or processes that are more energy-efficient than those
172 generally available; (C) development of markets for such products and
173 processes; (D) support for energy use assessment, engineering studies
174 and services related to new construction or major building
175 renovations; (E) the design, manufacture, commercialization and

176 purchase of energy-efficient appliances and heating devices; (F)
177 program planning and evaluation; (G) joint fuel conservation
178 initiatives and programs targeted at saving more than one fuel
179 resource; and (H) public education regarding conservation. Such
180 support may be by direct funding, manufacturers' rebates, sale price
181 and loan subsidies, leases and promotional and educational activities.
182 The plan shall also provide for reimbursement for services provided
183 by including a management fee, disbursements from the deliverable
184 fuel conservation account established pursuant to subdivision (8) of
185 this subsection, to develop and carry out the plan developed pursuant
186 to subdivision (3) of this subsection, and expenditures by the Energy,
187 Efficiency and Renewable Resources Board for the retention of expert
188 consultants and the board's reasonable administrative costs, provided
189 such consultants shall not be employed by, or have any contractual
190 relationship with, a deliverable fuel company or the program
191 administrator. Such board consultant and the board's administrative
192 costs shall not exceed five per cent of the total cost of the plan.

193 (8) The Energy, Efficiency and Renewable Resources Board shall
194 establish itself as a tax exempt organization in accordance with the
195 provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, or
196 any subsequent corresponding internal revenue code of the United
197 States, as from time to time amended. The board shall establish a
198 deliverable fuel conservation account, which shall be held separate and
199 apart from all other funds or accounts. The board may receive any
200 amount required by law to be deposited into the account and may
201 receive any federal or other funds as may become available to the state
202 for conservation and load management and renewable resources. Any
203 balance remaining in the fund at the end of any fiscal year shall be
204 carried forward in the fiscal year next succeeding. The Department of
205 Public Utility Control shall authorize disbursements from the account
206 by the administrator to carry out the plan developed under
207 subdivision (3) of this subsection upon the department's approval of
208 such plan. The account shall be funded by annual revenue from the tax
209 imposed by section 12-587 of the general statutes on the sale of
210 petroleum products gross earnings in excess of such revenue collected

211 during fiscal year 2006, provided the amount of such revenue that
212 shall be allocated to said account in fiscal years commencing on and
213 after July 1, 2010, shall not exceed five million dollars. The board shall
214 enter into a written grant contract with the Comptroller providing for
215 the conditions under which any funds from the deliverable fuel
216 conservation account are expended. Not later than September first of
217 each year, the Comptroller shall deposit into the deliverable fuel
218 conservation account the funding available from allocated revenues
219 collected during the prior fiscal year. Not later than July 1, 2011, and
220 biennially thereafter, a third party, selected by the Attorney General
221 and paid for from the deliverable fuel conservation account, shall
222 review the activities of the board and report on whether such activities
223 comport with state laws and generally accepted practices governing
224 the operations of a nonprofit corporation. The results of such review
225 and the single state audit of the board shall be submitted in a report to
226 the joint standing committees of the General Assembly having
227 cognizance of matters relating to energy, the environment and
228 commerce, in accordance with the provisions of section 11-4a of the
229 general statutes.

230 Sec. 2. Section 7-233y of the general statutes is repealed and the
231 following is substituted in lieu thereof (*Effective January 1, 2010*):

232 (a) Each municipal electric utility created pursuant to chapter 101 or
233 by special act shall, for investment in renewable energy sources and
234 for conservation and load management programs pursuant to this
235 section, accrue from each kilowatt hour of its metered firm electric
236 retail sales, exclusive of such sales to United States government naval
237 facilities in this state, no less than the following amounts during the
238 following periods, in a manner conforming to the requirement of this
239 section: (1) 1.0 mills on and after January 1, 2006; (2) 1.3 mills on and
240 after January 1, 2007; (3) 1.6 mills on and after January 1, 2008; (4) 1.9
241 mills on and after January 1, 2009; (5) 2.2 mills on and after January 1,
242 2010; and (6) 2.5 mills on and after January 1, 2011.

243 (b) There is hereby created a municipal energy conservation and

244 load management fund in each municipal electric energy cooperative
245 created pursuant to this chapter, which fund shall be a separate and
246 dedicated fund to be held and administered by such cooperative. The
247 fund may receive any amount required by law to be deposited into the
248 fund and may receive any federal or other funds as may become
249 available to the state for conservation and load management and
250 renewable resources. Each municipal electric utility created pursuant
251 to chapter 101 or by special act that is a member or participant in such
252 a municipal electric energy cooperative shall accrue and deposit such
253 amounts as specified in subsection (a) of this section into such fund.
254 Any balance remaining in the fund at the end of any fiscal year shall be
255 carried forward in the fiscal year next succeeding. Disbursements from
256 the fund shall be made pursuant to the comprehensive electric
257 conservation and load management and renewable energy resources
258 plan prepared by the cooperative in accordance with subsection (c) of
259 this section after authorization by the Department of Public Utility
260 Control upon its approval of such plan.

261 (c) Such cooperative shall, annually, adopt a comprehensive plan for
262 the expenditure of such funds by the cooperative on behalf of such
263 municipal electric utilities for the purpose of carrying out electric
264 conservation, investments in and promotion of renewable energy
265 sources, energy efficiency and electric load management programs
266 funded by the charge accrued pursuant to subsection (a) of this section.
267 Not later than October first of each year, such cooperative shall submit
268 such comprehensive plan to the Department of Public Utility Control.
269 The department shall, in an uncontested proceeding during which the
270 department may hold a public hearing, approve, modify or reject the
271 plan. The cooperative shall expend or cause to be expended the
272 amounts held in such fund in conformity with the [adopted] plan
273 approved by the department. The plan may direct the expenditure of
274 funds on facilities or measures located in any one or more of the
275 service areas of the municipal electric utilities who are members or
276 participants in such cooperative and [may] provide [for the
277 establishment of goals and standards for measuring the cost
278 effectiveness of expenditures made from such fund,] for the

279 minimization of federally mandated congestion charges and for
280 achieving appropriate geographic coverage and scope in each such
281 service area. Such plan shall be consistent with and incorporated into
282 the comprehensive plan of the [Energy Conservation Management
283 Board established under section 16-245m. Such cooperative, annually,
284 shall submit its plan to such board for review] Energy, Efficiency and
285 Renewable Resources Board established pursuant to section 1 of this
286 act.

287 (d) The Energy, Efficiency and Renewable Resources Board shall
288 advise and assist the cooperative in the development and
289 implementation of the plan submitted under subsection (c) of this
290 section. The Energy, Efficiency and Renewable Resources Board shall
291 accept, modify or reject each program in the plan before the plan is
292 submitted to the department for approval. The Energy, Efficiency and
293 Renewable Resources Board shall, as part of its review, examine
294 opportunities to offer joint programs providing similar efficiency
295 measures that save more than one fuel resource or to otherwise
296 coordinate programs targeted at saving more than one fuel resource to
297 ensure available conservation and renewable resources are integrated
298 to the extent practicable to simplify consumer access to integrated
299 services of all available resources, minimize expenses in the
300 administration of each program and reduce environmental impacts
301 and security risks of energy in the state. Any costs for joint programs
302 shall be allocated equitably among the programs.

303 (e) Programs included in the plan shall be screened through cost-
304 effectiveness testing that compares the value and payback period of
305 program benefits to program costs to ensure that the programs are
306 designed to obtain energy savings whose value is greater than the
307 costs of the program. The department shall review program cost-
308 effectiveness annually, or otherwise as is practicable. If the department
309 determines that a program fails the cost-effectiveness test as part of the
310 review process, the program shall either be modified to meet the test
311 or be terminated. On or before March first of each year, the board shall
312 provide a report, in accordance with the provisions of section 11-4a, to

313 the joint standing committees of the General Assembly having
314 cognizance of matters relating to energy, the environment and
315 commerce, that documents expenditures and funding for such
316 programs and evaluates the cost-effectiveness of such programs
317 conducted in the preceding year, including any increased cost-
318 effectiveness owing to offering programs that save more than one fuel
319 resource and integration of programs that save administrative
320 expenses.

321 (f) Programs included in the plan may include, but are not limited
322 to: (1) Conservation and load management programs, including
323 programs that benefit low-income individuals; (2) research,
324 development and commercialization of products or processes that are
325 more energy efficient than those generally available; (3) development
326 of markets for such products and processes; (4) support for energy use
327 assessment, engineering studies and services related to new
328 construction or major building renovations; (5) the design,
329 manufacture, commercialization and purchase of energy-efficient
330 appliances, air conditioning and heating devices; (6) program planning
331 and evaluation; (7) joint fuel conservation initiatives and programs
332 targeted at saving more than one fuel resource; (8) promotion of
333 renewable energy resources; and (9) public education regarding
334 conservation and renewable energy resources. Such programs may be
335 by direct funding, manufacturers' rebates, sale price and loan
336 subsidies, leases and promotional and educational activities. The plan
337 shall also provide for expenditures by the Energy, Efficiency and
338 Renewable Resources Board for the retention of expert consultants and
339 reasonable administrative costs, provided such consultants shall not be
340 employed by, or have any contractual relationship with, a municipal
341 electric utility. Such costs shall not exceed five per cent of the total cost
342 of the plan.

343 Sec. 3. Section 16-32f of the general statutes is repealed and the
344 following is substituted in lieu thereof (*Effective January 1, 2010*):

345 (a) On or before October first of each even-numbered year, a gas

346 company, as defined in section 16-1, shall furnish a report to the
347 Department of Public Utility Control containing a five-year forecast of
348 loads and resources. The report shall describe the facilities and supply
349 sources that, in the judgment of such gas company, will be required to
350 meet gas demands during the forecast period. The report shall be
351 made available to the public and shall be furnished to the Energy,
352 Efficiency and Renewable Resources Board, the chief executive officer
353 of each municipality in the service area of such gas company, the
354 regional planning agency which encompasses each such municipality,
355 the Attorney General, the president pro tempore of the Senate, the
356 speaker of the House of Representatives, the joint standing
357 [committee] committees of the General Assembly having cognizance of
358 matters relating to [public utilities] energy, the environment and
359 commerce, any other member of the General Assembly making a
360 request to the department for the report and such other state and
361 municipal entities as the department may designate by regulation. The
362 report shall include: (1) A tabulation of estimated peak loads and
363 resources for each year; (2) data on gas use and peak loads for the five
364 preceding calendar years; (3) a list of present and projected gas supply
365 sources; (4) specific measures to control load growth and promote
366 conservation; and (5) such other information as the department may
367 require by regulation. A full description of the methodology used to
368 arrive at the forecast of loads and resources shall also be furnished to
369 the department. The department shall hold a public hearing on such
370 reports upon the request of any person. On or before August first of
371 each odd-numbered year, the department may request a gas company
372 to furnish to the department an updated report. A gas company shall
373 furnish any such updated report not later than sixty days following the
374 request of the department.

375 (b) Not later than October 1, 2005, and annually thereafter, a gas
376 company, as defined in section 16-1, shall submit to the Department of
377 Public Utility Control a gas conservation plan, in accordance with the
378 provisions of this section, to implement cost-effective energy
379 conservation programs and market transformation initiatives. All
380 supply and conservation and load management options shall be

381 evaluated and selected within an integrated supply and demand
382 planning framework. Such plan shall be funded during each state
383 fiscal year by the revenue from the tax imposed by section 12-264 on
384 the gross receipts of sales of all public services companies that is in
385 excess of the revenue estimate for said tax that is approved by the
386 General Assembly in the appropriations act for such fiscal year,
387 provided the amount of such excess revenue that shall be allocated to
388 fund such plan in any state fiscal year shall not exceed ten million
389 dollars. Before the accounts for the General Fund have been closed for
390 each fiscal year, such excess revenue shall be deposited by the
391 Comptroller in an account held by the [Energy Conservation
392 Management Board, established pursuant to section 16-245m] Energy,
393 Efficiency and Renewable Resources Board. Services provided under
394 the plan shall be available to all gas company customers. Each gas
395 company shall apply to the [Energy Conservation Management Board]
396 Energy, Efficiency and Renewable Resources Board for reimbursement
397 for expenditures pursuant to the plan. The department shall, in an
398 uncontested proceeding during which the department may hold a
399 public hearing, approve, modify or reject the plan.

400 (c) (1) The [Energy Conservation Management Board] Energy,
401 Efficiency and Renewable Resources Board shall advise and assist each
402 such gas company in the development and implementation of the plan
403 submitted under subsection (b) of this section. Each program
404 contained in the plan shall be reviewed by each such gas company and
405 shall be either accepted, modified or rejected by the [Energy
406 Conservation Management Board] Energy, Efficiency and Renewable
407 Resources Board before submission of the plan to the department for
408 approval. The [Energy Conservation Management Board] Energy,
409 Efficiency and Renewable Resources Board shall, as part of its review,
410 examine opportunities to offer joint programs providing similar
411 efficiency measures that save more than one fuel resource or to
412 otherwise coordinate programs targeted at saving more than one fuel
413 resource to ensure available conservation and renewable resources are
414 integrated to the extent practicable to simplify consumer access to
415 integrated services of all available resources, minimize expenses in the

416 administration of each program and reduce environmental impacts
417 and security risks of energy in the state. Any costs for joint programs
418 shall be allocated equitably among the conservation programs.

419 (2) Programs included in the plan shall be screened through cost-
420 effectiveness testing that compares the value and payback period of
421 program benefits to program costs to ensure that the programs are
422 designed to obtain gas savings whose value is greater than the costs of
423 the program. Program cost-effectiveness shall be reviewed annually by
424 the department, or otherwise as is practicable. If the department
425 determines that a program fails the cost-effectiveness test as part of the
426 review process, the program shall either be modified to meet the test
427 or be terminated. On or before [January 1, 2007, and annually
428 thereafter] March first of each year, the board shall provide a report, in
429 accordance with the provisions of section 11-4a, to the joint standing
430 committees of the General Assembly having cognizance of matters
431 relating to energy, [and] the environment and commerce, that
432 documents expenditures and funding for such programs and evaluates
433 the cost-effectiveness of such programs conducted in the preceding
434 year, including any increased cost-effectiveness owing to offering
435 programs that save more than one fuel resource and integration of
436 programs that save administrative expenses.

437 (3) Programs included in the plan may include, but are not limited
438 to: (A) Conservation and load management programs, including
439 programs that benefit low-income individuals; (B) research,
440 development and commercialization of products or processes that are
441 more energy-efficient than those generally available; (C) development
442 of markets for such products and processes; (D) support for energy use
443 assessment, engineering studies and services related to new
444 construction or major building renovations; (E) the design,
445 manufacture, commercialization and purchase of energy-efficient
446 appliances, air conditioning and heating devices; (F) program planning
447 and evaluation; (G) joint fuel conservation initiatives and programs
448 targeted at saving more than one fuel resource; and (H) public
449 education regarding conservation. Such support may be by direct

450 funding, manufacturers' rebates, sale price and loan subsidies, leases
451 and promotional and educational activities. The plan shall also provide
452 for expenditures by the [Energy Conservation Management Board]
453 Energy, Efficiency and Renewable Resources Board for the retention of
454 expert consultants and reasonable administrative costs, provided such
455 consultants shall not be employed by, or have any contractual
456 relationship with, a gas company. Such costs shall not exceed five per
457 cent of the total cost of the plan.

458 Sec. 4. Section 16-245m of the general statutes is repealed and the
459 following is substituted in lieu thereof (*Effective January 1, 2010*):

460 (a) [(1)] On and after January 1, 2000, the Department of Public
461 Utility Control shall assess or cause to be assessed a charge of three
462 mills per kilowatt hour of electricity sold to each end use customer of
463 an electric distribution company to be used to implement the program
464 as provided in this section for conservation and load management
465 programs but not for the amortization of costs incurred prior to July 1,
466 1997, for such conservation and load management programs.

467 [(2)] Notwithstanding the provisions of this section, receipts from
468 such charge shall be disbursed to the resources of the General Fund
469 during the period from July 1, 2003, to June 30, 2005, unless the
470 department shall, on or before October 30, 2003, issue a financing order
471 for each affected electric distribution company in accordance with
472 sections 16-245e to 16-245k, inclusive, to sustain funding of
473 conservation and load management programs by substituting an
474 equivalent amount, as determined by the department in such financing
475 order, of proceeds of rate reduction bonds for disbursement to the
476 resources of the General Fund during the period from July 1, 2003, to
477 June 30, 2005. The department may authorize in such financing order
478 the issuance of rate reduction bonds that substitute for disbursement to
479 the General Fund for receipts of both the charge under this subsection
480 and under subsection (b) of section 16-245n and also may, in its
481 discretion, authorize the issuance of rate reduction bonds under this
482 subsection and subsection (b) of section 16-245n that relate to more

483 than one electric distribution company. The department shall, in such
484 financing order or other appropriate order, offset any increase in the
485 competitive transition assessment necessary to pay principal,
486 premium, if any, interest and expenses of the issuance of such rate
487 reduction bonds by making an equivalent reduction to the charge
488 imposed under this subsection, provided any failure to offset all or any
489 portion of such increase in the competitive transition assessment shall
490 not affect the need to implement the full amount of such increase as
491 required by this subsection and by sections 16-245e to 16-245k,
492 inclusive. Such financing order shall also provide if the rate reduction
493 bonds are not issued, any unrecovered funds expended and committed
494 by the electric distribution companies for conservation and load
495 management programs, provided such expenditures were approved
496 by the department after August 20, 2003, and prior to the date of
497 determination that the rate reduction bonds cannot be issued, shall be
498 recovered by the companies from their respective competitive
499 transition assessment or systems benefits charge but such expenditures
500 shall not exceed four million dollars per month. All receipts from the
501 remaining charge imposed under this subsection, after reduction of
502 such charge to offset the increase in the competitive transition
503 assessment as provided in this subsection, shall be disbursed to the
504 Energy Conservation and Load Management Fund commencing as of
505 July 1, 2003. Any increase in the competitive transition assessment or
506 decrease in the conservation and load management component of an
507 electric distribution company's rates resulting from the issuance of or
508 obligations under rate reduction bonds shall be included as rate
509 adjustments on customer bills.]

510 (b) The electric distribution company shall establish an Energy
511 Conservation and Load Management Fund which shall be held
512 separate and apart from all other funds or accounts. The fund may
513 receive any amount required by law to be deposited into the fund and
514 may receive any federal or other funds as may become available to the
515 state for conservation and load management and renewable resources.
516 Receipts from the charge imposed under subsection (a) of this section
517 shall be deposited into the fund. Any balance remaining in the fund at

518 the end of any fiscal year shall be carried forward in the fiscal year
519 next succeeding. Disbursements from the fund by electric distribution
520 companies to carry out the plan developed under subsection [(d)] (c) of
521 this section shall be authorized by the Department of Public Utility
522 Control upon its approval of such plan.

523 [(c) The Department of Public Utility Control shall appoint and
524 convene an Energy Conservation Management Board which shall
525 include representatives of: (1) An environmental group knowledgeable
526 in energy conservation program collaboratives; (2) the Office of
527 Consumer Counsel; (3) the Attorney General; (4) the Department of
528 Environmental Protection; (5) the electric distribution companies in
529 whose territories the activities take place for such programs; (6) a state-
530 wide manufacturing association; (7) a chamber of commerce; (8) a
531 state-wide business association; (9) a state-wide retail organization;
532 (10) a representative of a municipal electric energy cooperative created
533 pursuant to chapter 101a; (11) two representatives selected by the gas
534 companies in this state; and (12) residential customers. Such members
535 shall serve for a period of five years and may be reappointed.
536 Representatives of the gas companies shall not vote on matters
537 unrelated to gas conservation. Representatives of the electric
538 distribution companies and the municipal electric energy cooperative
539 shall not vote on matters unrelated to electricity conservation.]

540 [(d) (1)] (c) On or before October first of each year, an electric
541 distribution company shall submit to the Department of Public Utility
542 Control a conservation plan pursuant to this section to implement cost-
543 effective energy conservation programs and market transformation
544 initiatives. The [Energy Conservation Management Board] Energy,
545 Efficiency and Renewable Resources Board shall advise and assist the
546 electric distribution companies in the development and
547 implementation of a comprehensive plan, which plan shall be
548 approved by the Department of Public Utility Control, to implement
549 cost-effective energy conservation programs and market
550 transformation initiatives. Each program contained in the plan shall be
551 reviewed by [the] each electric distribution company and either

552 accepted or rejected by the [Energy Conservation Management Board]
553 Energy, Efficiency and Renewable Resources Board prior to
554 submission to the department for approval. The [Energy Conservation
555 Management Board] Energy, Efficiency and Renewable Resources
556 Board shall, as part of its review, examine opportunities to offer joint
557 programs providing similar efficiency measures that save more than
558 one fuel resource or otherwise to coordinate programs targeted at
559 saving more than one fuel resource to ensure available conservation
560 and renewable resources are integrated to the extent practicable to
561 simplify consumer access to integrated services of all available
562 resources, minimize expenses in the administration of each program
563 and reduce environmental impacts and security risks of energy in the
564 state. Any costs for joint programs shall be allocated equitably among
565 the conservation programs. The [Energy Conservation Management
566 Board] Energy, Efficiency and Renewable Resources Board shall give
567 preference to projects funded pursuant to subsection (a) of this section
568 that maximize the reduction of federally mandated congestion charges.
569 The Department of Public Utility Control shall, in an uncontested
570 proceeding during which the department may hold a public hearing,
571 approve, modify or reject the comprehensive plan prepared pursuant
572 to this subsection.

573 [(2) There shall be a joint committee of the Energy Conservation
574 Management Board and the Renewable Energy Investments Board.
575 The board and the advisory committee shall each appoint members to
576 such joint committee. The joint committee shall examine opportunities
577 to coordinate the programs and activities funded by the Renewable
578 Energy Investment Fund pursuant to section 16-245n with the
579 programs and activities contained in the plan developed under this
580 subsection to reduce the long-term cost, environmental impacts and
581 security risks of energy in the state. Such joint committee shall hold its
582 first meeting on or before August 1, 2005.]

583 [(3)] (d) Programs included in the plan developed under
584 [subdivision (1) of this] subsection (c) of this section shall be screened
585 through cost-effectiveness testing which compares the value and

586 payback period of program benefits to program costs to ensure that
587 programs are designed to obtain energy savings and system benefits,
588 including mitigation of federally mandated congestion charges, whose
589 value is greater than the costs of the programs. Cost-effectiveness
590 testing shall utilize available information obtained from real-time
591 monitoring systems to ensure accurate validation and verification of
592 energy use. Such testing shall include an analysis of the effects of
593 investments on increasing the state's load factor. [Program] The
594 department shall review program cost-effectiveness [shall be
595 reviewed] annually, or otherwise as is practicable. If the department
596 determines that a program [is determined to fail] fails the cost-
597 effectiveness test as part of the review process, [it] the program shall
598 either be modified to meet the test or shall be terminated. On or before
599 March 1, 2005, and on or before March first annually thereafter, the
600 board shall provide a report, in accordance with the provisions of
601 section 11-4a, to the joint standing committees of the General
602 Assembly having cognizance of matters relating to energy, commerce
603 and the environment [(A)] that documents expenditures and [fund
604 balances] funding for such programs and evaluates the cost-
605 effectiveness of such programs conducted in the preceding year, [and
606 (B) that documents the extent to and manner in which the programs of
607 such board collaborated and cooperated with programs, established
608 under section 7-233y, of municipal electric energy cooperatives. To
609 maximize the reduction of federally mandated congestion charges,
610 programs in the plan may allow for disproportionate allocations
611 between the amount of contributions to the Energy Conservation and
612 Load Management Funds by a certain rate class and the programs that
613 benefit such a rate class. Before conducting such evaluation, the board
614 shall consult with the Renewable Energy Investments Board. The
615 report shall include a description of the activities undertaken during
616 the reporting period jointly or in collaboration with the Renewable
617 Energy Investment Fund established pursuant to subsection (c) of
618 section 16-245n] including any increased cost-effectiveness owing to
619 offering programs that save more than one fuel resource and
620 integration of programs that save administrative expenses.

621 [(4)] (e) Programs included in the plan developed under
622 [subdivision (1) of this] subsection (c) of this section may include, but
623 not be limited to: [(A)] (1) Conservation and load management
624 programs, including programs that benefit low-income individuals;
625 [(B)] (2) research, development and commercialization of products or
626 processes which are more energy-efficient than those generally
627 available; [(C)] (3) development of markets for such products and
628 processes; [(D)] (4) support for energy use assessment, real-time
629 monitoring systems, engineering studies and services related to new
630 construction or major building renovation; [(E)] (5) the design,
631 manufacture, commercialization and purchase of energy-efficient
632 appliances and heating, air conditioning and lighting devices; [(F)] (6)
633 program planning and evaluation; [(G)] (7) indoor air quality
634 programs relating to energy conservation; [(H)] (8) joint fuel
635 conservation initiatives programs targeted at reducing consumption of
636 more than one fuel resource; [(I)] (9) public education regarding
637 conservation; and [(J)] (10) the demand-side technology programs
638 recommended by the procurement plan approved by the Department
639 of Public Utility Control pursuant to section 16a-3a. Such support may
640 be by direct funding, manufacturers' rebates, sale price and loan
641 subsidies, leases and promotional and educational activities. The plan
642 shall also provide for expenditures by the [Energy Conservation
643 Management Board] Energy, Efficiency and Renewable Resources
644 Board for the retention of expert consultants and reasonable
645 administrative costs provided such consultants shall not be employed
646 by, or have any contractual relationship with, an electric distribution
647 company. Such costs shall not exceed five per cent of the total [revenue
648 collected from the assessment] cost of the plan.

649 [(e) Notwithstanding the provisions of subsections (a) to (d),
650 inclusive, of this section, the Department of Public Utility Control shall
651 authorize the disbursement of a total of one million dollars in each
652 month, commencing with July, 2003, and ending with July, 2005, from
653 the Energy Conservation and Load Management Funds established
654 pursuant to said subsections. The amount disbursed from each Energy
655 Conservation and Load Management Fund shall be proportionately

656 based on the receipts received by each fund. Such disbursements shall
657 be deposited in the General Fund.

658 (f) No later than December 31, 2006, and no later than December
659 thirty-first every five years thereafter, the Energy Conservation
660 Management Board shall, after consulting with the Renewable Energy
661 Investments Board, conduct an evaluation of the performance of the
662 programs and activities of the fund and submit a report, in accordance
663 with the provisions of section 11-4a, of the evaluation to the joint
664 standing committee of the General Assembly having cognizance of
665 matters relating to energy.]

666 [(g)] (f) Repealed by P.A. 06-186, S. 91, effective July 1, 2006.

667 Sec. 5. Section 16-245n of the general statutes is repealed and the
668 following is substituted in lieu thereof (*Effective January 1, 2010*):

669 (a) For purposes of this section, "renewable energy" means solar
670 photovoltaic energy, solar thermal, geothermal energy, wind, ocean
671 thermal energy, wave or tidal energy, fuel cells, landfill gas,
672 hydropower that meets the low-impact standards of the Low-Impact
673 Hydropower Institute, hydrogen production and hydrogen conversion
674 technologies, low emission advanced biomass conversion technologies,
675 alternative fuels, used for electricity generation including ethanol,
676 biodiesel or other fuel produced in Connecticut and derived from
677 agricultural produce, food waste or waste vegetable oil, provided the
678 Commissioner of Environmental Protection determines that such fuels
679 provide net reductions in greenhouse gas emissions and fossil fuel
680 consumption, usable electricity from combined heat and power
681 systems with waste heat recovery systems, thermal storage systems
682 and other energy resources and emerging technologies which have
683 significant potential for commercialization and which do not involve
684 the combustion of coal, petroleum or petroleum products, municipal
685 solid waste or nuclear fission.

686 (b) On and after July 1, 2004, the Department of Public Utility
687 Control shall assess or cause to be assessed a charge of not less than

688 one mill per kilowatt hour charged to each end use customer of electric
689 services in this state which shall be deposited into the Renewable
690 Energy Investment Fund established under subsection (c) of this
691 section. [Notwithstanding the provisions of this section, receipts from
692 such charges shall be disbursed to the resources of the General Fund
693 during the period from July 1, 2003, to June 30, 2005, unless the
694 department shall, on or before October 30, 2003, issue a financing order
695 for each affected distribution company in accordance with sections 16-
696 245e to 16-245k, inclusive, to sustain funding of renewable energy
697 investment programs by substituting an equivalent amount, as
698 determined by the department in such financing order, of proceeds of
699 rate reduction bonds for disbursement to the resources of the General
700 Fund during the period from July 1, 2003, to June 30, 2005. The
701 department may authorize in such financing order the issuance of rate
702 reduction bonds that substitute for disbursement to the General Fund
703 for receipts of both charges under this subsection and subsection (a) of
704 section 16-245m and also may in its discretion authorize the issuance of
705 rate reduction bonds under this subsection and subsection (a) of
706 section 16-245m that relate to more than one electric distribution
707 company. The department shall, in such financing order or other
708 appropriate order, offset any increase in the competitive transition
709 assessment necessary to pay principal, premium, if any, interest and
710 expenses of the issuance of such rate reduction bonds by making an
711 equivalent reduction to the charges imposed under this subsection,
712 provided any failure to offset all or any portion of such increase in the
713 competitive transition assessment shall not affect the need to
714 implement the full amount of such increase as required by this
715 subsection and sections 16-245e to 16-245k, inclusive. Such financing
716 order shall also provide if the rate reduction bonds are not issued, any
717 unrecovered funds expended and committed by the electric
718 distribution companies for renewable resource investment through
719 deposits into the Renewable Energy Investment Fund, provided such
720 expenditures were approved by the department following August 20,
721 2003, and prior to the date of determination that the rate reduction
722 bonds cannot be issued, shall be recovered by the companies from

723 their respective competitive transition assessment or systems benefits
724 charge except that such expenditures shall not exceed one million
725 dollars per month. All receipts from the remaining charges imposed
726 under this subsection, after reduction of such charges to offset the
727 increase in the competitive transition assessment as provided in this
728 subsection, shall be disbursed to the Renewable Energy Investment
729 Fund commencing as of July 1, 2003. Any increase in the competitive
730 transition assessment or decrease in the renewable energy investment
731 component of an electric distribution company's rates resulting from
732 the issuance of or obligations under rate reduction bonds shall be
733 included as rate adjustments on customer bills.]

734 (c) There is hereby created a Renewable Energy Investment Fund
735 which shall be within Connecticut Innovations, Incorporated for
736 administrative purposes only. The fund may receive any amount
737 required by law to be deposited into the fund and may receive any
738 federal or other funds as may become available to the state for
739 renewable energy investments. [Upon authorization of the Renewable
740 Energy Investments Board established pursuant to subsection (d) of
741 this section, Connecticut Innovations, Incorporated, may use any
742 amount in said fund for expenditures that] The Energy, Efficiency and
743 Renewable Resources Board shall act on matters related to the
744 Renewable Energy Investment Fund, including, but not limited to,
745 development of a comprehensive plan and expenditure of funds. On or
746 before October first each year, the board shall submit to the
747 Department of Public Utility Control a renewable resources plan
748 pursuant to this section for department approval. The plan shall
749 promote investment in renewable energy sources in accordance with a
750 comprehensive plan developed by [it] the board to foster the growth,
751 development and commercialization of renewable energy sources,
752 related enterprises and stimulate demand for renewable energy and
753 deployment of renewable energy sources that serve end use customers
754 in this state and for the further purpose of supporting operational
755 demonstration projects for advanced technologies that reduce energy
756 use from traditional sources [. Such expenditures may include, but not
757 be limited to, reimbursement for services provided by the

758 administrator of the fund including a management fee, disbursements
759 from the fund to develop and carry out the plan developed pursuant
760 to subsection (d) of this section, grants, direct or equity investments,
761 contracts or other actions which support research, development,
762 manufacture, commercialization, deployment and installation of
763 renewable energy technologies, and actions which expand the
764 expertise of individuals, businesses and lending institutions with
765 regard to renewable energy technologies] and ensure available
766 conservation and renewable resources programs are integrated to the
767 extent practicable to simplify consumer access to integrated services of
768 all available resources, minimize expenses in the administration of
769 each program and reduce environmental impacts and security risks of
770 energy in the state. Any costs for joint programs shall be allocated
771 equitably among the programs. The Energy, Efficiency and Renewable
772 Resources Board shall give preference to renewable resources projects
773 funded pursuant to subsection (b) of this section that maximize the
774 reduction of federally mandated congestion charges. The plan shall
775 provide for reimbursement for services provided by the administrator
776 of the fund including a management fee, disbursements from the fund
777 to develop and carry out the plan developed pursuant to this
778 subsection of this section, grants, direct or equity investments,
779 contracts or other actions that support research, development,
780 manufacturing, commercialization, deployment and installation of
781 renewable energy technologies and actions that expand the expertise
782 of individuals, businesses and lending institutions with regard to
783 renewable energy technologies, and expenditures by the Energy,
784 Efficiency and Renewable Resources Board for the retention of expert
785 consultants and the board's reasonable administrative costs provided
786 such consultants shall not be employed by, or have any contractual
787 relationship with, any company that may create a conflict of interest
788 and such board consultant and administrative costs shall not exceed
789 five per cent of the total cost of the plan. The Department of Public
790 Utility Control shall, in an uncontested proceeding during which the
791 department may hold a public hearing, approve, modify or reject the
792 comprehensive plan prepared pursuant to this subsection.

793 [(d) There is hereby created a Renewable Energy Investments Board
794 to act on matters related to the Renewable Energy Investment Fund,
795 including, but not limited to, development of a comprehensive plan
796 and expenditure of funds. The Renewable Energy Investments Board
797 shall, in such plan, give preference to projects that maximize the
798 reduction of federally mandated congestion charges. The Renewable
799 Energy Investments Board]

800 (d) At least every ten years, the Energy, Efficiency and Renewable
801 Resources Board shall make a draft of [the] its comprehensive
802 renewable resources plan available for public comment for not less
803 than thirty days. The board shall conduct three public hearings in three
804 different regions of the state on the draft comprehensive plan and shall
805 include a summarization of all public comments received at said
806 public hearings in the final comprehensive plan approved by the
807 board. The board shall provide a copy of the comprehensive plan, in
808 accordance with the provisions of section 11-4a, to the joint standing
809 committees of the General Assembly having cognizance of matters
810 relating to energy, the environment and commerce. The Department of
811 Public Utility Control shall, in an uncontested proceeding, during
812 which the department may hold a public hearing, approve, modify or
813 reject the comprehensive plan prepared pursuant to this subsection.

814 [(e) The Renewable Energy Investments Board shall include not
815 more than fifteen individuals with knowledge and experience in
816 matters related to the purpose and activities of the Renewable Energy
817 Investment Fund. The board shall consist of the following members:
818 (1) One person with expertise regarding renewable energy resources
819 appointed by the speaker of the House of Representatives; (2) one
820 person representing a state or regional organization primarily
821 concerned with environmental protection appointed by the president
822 pro tempore of the Senate; (3) one person with experience in business
823 or commercial investments appointed by the majority leader of the
824 House of Representatives; (4) one person representing a state or
825 regional organization primarily concerned with environmental
826 protection appointed by the majority leader of the Senate; (5) one

827 person with experience in business or commercial investments
828 appointed by the minority leader of the House of Representatives; (6)
829 the Commissioner of Emergency Management and Homeland Security
830 or the commissioner's designee; (7) one person with expertise
831 regarding renewable energy resources appointed by the Governor; (8)
832 two persons with experience in business or commercial investments
833 appointed by the board of directors of Connecticut Innovations,
834 Incorporated; (9) a representative of a state-wide business association,
835 manufacturing association or chamber of commerce appointed by the
836 minority leader of the Senate; (10) the Consumer Counsel; (11) the
837 Secretary of the Office of Policy and Management or the secretary's
838 designee; (12) the Commissioner of Environmental Protection or the
839 commissioner's designee; (13) a representative of organized labor
840 appointed by the Governor; and (14) a representative of residential
841 customers or low-income customers appointed by Governor. On a
842 biennial basis, the board shall elect a chairperson and vice-chairperson
843 from among its members and shall adopt such bylaws and procedures
844 it deems necessary to carry out its functions. The board may establish
845 committees and subcommittees as necessary to conduct its business.

846 (f) The board shall issue annually a report to the Department of
847 Public Utility Control reviewing the activities of the Renewable Energy
848 Investment Fund in detail and shall provide a copy of such report, in
849 accordance with the provisions of section 11-4a, to the joint standing
850 committees of the General Assembly having cognizance of matters
851 relating to energy and commerce and the Office of Consumer Counsel.
852 The report shall include a description of the programs and activities
853 undertaken during the reporting period jointly or in collaboration with
854 the Energy Conservation and Load Management Funds established
855 pursuant to section 16-245m.

856 (g) There shall be a joint committee of the Energy Conservation
857 Management Board and the Renewable Energy Investments Board, as
858 provided in subdivision (2) of subsection (d) of section 16-245m.

859 (h) No later than December 31, 2006, and no later than December

thirty-first every five years thereafter, the board shall, after consulting with the Energy Conservation Management Board, conduct an evaluation of the performance of the programs and activities of the fund and submit a report, in accordance with the provisions of section 11-4a, of the evaluation to the joint standing committees of the General Assembly having cognizance of matters relating to energy and commerce.]

(e) On or before March first each year, the board shall provide a report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to energy, the environment and commerce that documents expenditures and funding for renewable resource programs conducted in the previous year.

Sec. 6. Section 16a-41a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2010*):

(a) The Commissioner of Social Services shall submit to the joint standing committees of the General Assembly having cognizance of energy planning and activities, appropriations, and human services the following on the implementation of the block grant program authorized under the Low-Income Home Energy Assistance Act of 1981, as amended:

(1) Not later than August first, annually, a Connecticut energy assistance program annual plan which establishes guidelines for the use of funds authorized under the Low-Income Home Energy Assistance Act of 1981, as amended, and includes the following:

(A) Criteria for determining which households are to receive emergency and weatherization assistance;

(B) A description of systems used to ensure referrals to other energy assistance programs and the taking of simultaneous applications, as required under section 16a-41;

(C) A description of outreach efforts;

891 (D) Estimates of the total number of households eligible for
892 assistance under the program and the number of households in which
893 one or more elderly or physically disabled individuals eligible for
894 assistance reside; [and]

895 (E) Design of a basic grant for eligible households that does not
896 discriminate against such households based on the type of energy used
897 for heating; and

898 (F) A description of the Department of Social Service's system for (i)
899 identifying households to which it provides cash, medical or food
900 assistance who may be eligible for conservation assistance available
901 through programs developed pursuant to subsection (b) of section 1 of
902 this act and sections 7-233y, 16-32f and 16-245m, as amended by this
903 act, (ii) obtaining permission from such households to transmit
904 information regarding the households to such conservation programs
905 for purposes of facilitating provision of any available conservation
906 resource, and (iii) systematically transmitting household information
907 to such conservation programs when permission has been obtained.
908 Such system shall be part of the department's application and periodic
909 redetermination eligibility procedures and shall be developed in
910 consultation with the Energy, Efficiency and Renewable Resources
911 Board.

912 (2) Not later than January thirtieth, annually, a report covering the
913 preceding months of the program year, including:

914 (A) In each community action agency geographic area and
915 Department of Social Services region, the number of fuel assistance
916 applications filed, approved and denied, the number of emergency
917 assistance requests made, approved and denied and the number of
918 households provided weatherization assistance;

919 (B) In each such area and district, the total amount of fuel,
920 emergency and weatherization assistance, itemized by such type of
921 assistance, and total expenditures to date; and

922 (C) For each state-wide office of each state agency administering the
923 program, each community action agency and each Department of
924 Social Services region, administrative expenses under the program, by
925 line item, and an estimate of outreach expenditures; and

926 (3) Not later than November first, annually, a report covering the
927 preceding twelve calendar months, including:

928 (A) In each community action agency geographic area and
929 Department of Social Services region, (i) seasonal totals for the
930 categories of data submitted under subdivision (1) of this subsection,
931 (ii) the number of households receiving fuel assistance in which elderly
932 or physically disabled individuals reside, and (iii) the average
933 combined benefit level of fuel, emergency and renter assistance;

934 (B) Types of weatherization assistance provided;

935 (C) Percentage of weatherization assistance provided to tenants;

936 (D) The number of homeowners and tenants whose heat or total
937 energy costs are not included in their rent receiving fuel and
938 emergency assistance under the program by benefit level;

939 (E) The number of homeowners and tenants whose heat is included
940 in their rent and who are receiving assistance, by benefit level; [and]

941 (F) The number of households receiving assistance, by energy type
942 and total expenditures for each energy type; and

943 (G) The number of households to whom it provides cash, medical or
944 food assistance when the Department of Social Services obtained
945 permission from such households and transmitted information
946 regarding the households to conservation programs developed
947 pursuant to subsection (b) of section 1 of this act and section 7-233y,
948 16-32f or 16-245m, as amended by this act.

949 (b) The Commissioner of Social Services shall implement a program
950 to purchase deliverable fuel for low-income households participating

951 in the Connecticut energy assistance program and the state-
952 appropriated fuel assistance program. The commissioner shall ensure
953 that no fuel vendor discriminates against fuel assistance program
954 recipients who are under the vendor's standard payment, delivery,
955 service or other similar plans. The commissioner may take advantage
956 of programs offered by fuel vendors that reduce the cost of the fuel
957 purchased, including, but not limited to, fixed price, capped price,
958 prepurchase or summer-fill programs that reduce program cost and
959 that make the maximum use of program revenues. As funding allows,
960 the commissioner shall ensure that all agencies administering the fuel
961 assistance program shall make payments to program fuel vendors in
962 advance of the delivery of energy where vendor provided price-
963 management strategies require payments in advance.

964 (c) Each community action agency administering a fuel assistance
965 program shall submit reports, as requested by the Commissioner of
966 Social Services, concerning pricing information from vendors of
967 deliverable fuel participating in the program. Such information shall
968 include, but not be limited to, the state-wide or regional retail price per
969 unit of deliverable fuel, the reduced price per unit paid by the state for
970 the deliverable fuel in utilizing price management strategies offered by
971 program vendors for all consumers, the number of units delivered to
972 the state under the program and the total savings under the program
973 due to the purchase of deliverable fuel utilizing price-management
974 strategies offered by program vendors for all consumers.

975 (d) If funding allows, the Commissioner of Social Services, in
976 consultation with the Secretary of the Office of Policy and
977 Management, shall require that, each community action agency
978 administering a fuel assistance program begin accepting applications
979 for the program not later than September first of each year.

980 Sec. 7. Section 16-245z of the general statutes is repealed and the
981 following is substituted in lieu thereof (*Effective January 1, 2010*):

982 [Not later than October 1, 2005, the] The Department of Public
983 Utility Control and the [Energy Conservation Management Board,

984 established in section 16-245m,] Energy, Efficiency and Renewable
985 Resources Board shall establish links on their Internet web sites to the
986 Energy Star program or successor program that promotes energy
987 efficiency and each electric distribution company shall establish a link
988 under its conservation programs on its Internet web site to the Energy
989 Star program or such successor program.

990 Sec. 8. Subsection (a) of section 16a-47a of the general statutes is
991 repealed and the following is substituted in lieu thereof (*Effective*
992 *January 1, 2010*):

993 (a) The Department of Public Utility Control shall, in coordination
994 with the [Energy Conservation Management Board, established
995 pursuant to section 16-245m,] Energy, Efficiency and Renewable
996 Resources Board establish a state-wide energy efficiency and outreach
997 marketing campaign that shall provide targeted information for each
998 of the following sectors: (1) Commercial, including small businesses,
999 (2) industrial, (3) governmental, (4) institutional, including schools,
1000 hospitals and nonprofits, (5) agricultural, and (6) residential.

1001 Sec. 9. Section 16a-47b of the general statutes is repealed and the
1002 following is substituted in lieu thereof (*Effective January 1, 2010*):

1003 (a) As part of the energy efficiency and outreach marketing
1004 campaign established pursuant to section 16a-47a, on or before April 1,
1005 2008, the Department of Public Utility Control shall, in consultation
1006 with the [Energy Conservation Management Board, established
1007 pursuant to section 16-245m,] Energy, Efficiency and Renewable
1008 Resources Board develop a real-time energy report for daily use by
1009 television and other media. The report shall (1) identify the state's
1010 current real-time energy demand, along with how the demand has
1011 changed over the course of the day, and in the case of television news
1012 broadcasts, the real-time changes in energy demand; (2) emphasize the
1013 importance of reducing peak demand and provide estimates of the
1014 economic benefits that can be derived by reducing electricity use; (3)
1015 provide tips on energy efficiency measures; (4) promote community
1016 and business competition to reduce energy consumption; and (5) give

1017 visibility to communities and businesses that have implemented
 1018 energy saving changes or that have installed and are operating
 1019 renewable energy resources.

1020 (b) The department may obtain the information needed to develop
 1021 the real-time energy reports established pursuant to subsection (a) of
 1022 this section from the regional independent system operator and the
 1023 state's electric distribution companies.

1024 Sec. 10. Section 16a-47d of the general statutes is repealed and the
 1025 following is substituted in lieu thereof (*Effective January 1, 2010*):

1026 As part of the energy efficiency and outreach marketing campaign
 1027 established pursuant to section 16a-47a, on or before April 1, 2008, the
 1028 Department of Public Utility Control shall, in consultation with the
 1029 [Energy Conservation Management Board, established pursuant to
 1030 section 16-245m,] Energy, Efficiency and Renewable Resources Board
 1031 develop a real-time energy electronic mail and cellular phone alert
 1032 system to notify the public of the need to reduce energy consumption
 1033 during peak power periods.

1034 Sec. 11. Sections 7-233z and 16a-22l are repealed. (*Effective January 1,*
 1035 *2010*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2010</i>	New section
Sec. 2	<i>January 1, 2010</i>	7-233y
Sec. 3	<i>January 1, 2010</i>	16-32f
Sec. 4	<i>January 1, 2010</i>	16-245m
Sec. 5	<i>January 1, 2010</i>	16-245n
Sec. 6	<i>January 1, 2010</i>	16a-41a
Sec. 7	<i>January 1, 2010</i>	16-245z
Sec. 8	<i>January 1, 2010</i>	16a-47a(a)
Sec. 9	<i>January 1, 2010</i>	16a-47b
Sec. 10	<i>January 1, 2010</i>	16a-47d
Sec. 11	<i>January 1, 2010</i>	Repealer section

Statement of Legislative Commissioners:

Section 4 was rewritten for statutory consistency and technical changes were made in sections 1, 5 and 6 for accuracy and clarity.

ET *Joint Favorable Subst.-LCO*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: See Below

Municipal Impact: None

Explanation

This bill creates the Energy, Efficiency, and Renewable Resources Board and also eliminates several existing energy boards. The new board will have authority over several funds, including the Energy Conservation and Load Management Fund, the Clean Energy Fund, and the Fuel Oil Conservation Fund. It also transfers to the new board the responsibilities and powers of the Connecticut Municipal Electric Energy Cooperative with regard to municipal electric utility conservation and renewable energy programs. The level of funding for each individual energy fund is not changed by this bill.

The bill requires the Department of Social Services (DSS) to submit additional information to the General Assembly in its annual energy assistance program plan. This will result in a minimal administrative cost to the department.

The Out Years

None

OLR Bill Analysis**sHB 6632*****AN ACT CONCERNING ENERGY EFFICIENCY AND THE
COORDINATION OF ENERGY EFFICIENCY PROGRAMS.*****SUMMARY:**

This bill eliminates the Energy Conservation Management Board (ECMB), which oversees electric and gas company conservation programs, the Renewable Energy Investment Board (REIB) which distributes money in the Clean Energy Fund, and the Fuel Oil Conservation Board (FOCB), which administers fuel oil conservation programs. It replaces these boards with the Energy, Efficiency, and Renewable Resources Board (the board), which it creates. Similarly, it transfers to the new board the responsibilities and powers of the Connecticut Municipal Electric Energy Cooperative (CMEEC) with regard to municipal electric utility conservation and renewable energy programs. The bill also eliminates a joint committee of ECMB and REIB. The bill gives the new board several responsibilities that are not assigned to the existing boards, such as facilitating the coordination and integration of energy, conservation, and renewable resources programs to simplify consumer access.

The bill also expands the fuel oil conservation programs to cover other deliverable fuels, such as propane.

The bill extends to the deliverable fuel and municipal electric utility conservation programs provisions regarding program eligibility and evaluation requirements that currently apply to electric and gas company conservation programs. It requires that the deliverable fuel and municipal utility programs be approved by the Department of Public Utility Control (DPUC), as is currently the case with the other conservation and renewable energy programs.

The bill requires the board to report to the Energy and Technology, Environment, and Commerce committees regarding the programs under its jurisdiction. Under current law, the existing boards must report on the programs under their jurisdiction to the Energy and Technology Committee and in some cases to the other committees.

EFFECTIVE DATE: January 1, 2010

§ 1 — AUTHORITY BOARD, RESPONSIBILITIES AND ADMINISTRATION OF DELIVERABLE FUEL PROGRAM

Board

The 22-member board consists of political appointees, industry representatives, and department heads.

Table 1 shows the industry designees and political appointed membership on the new board. In addition, the board consists of the following individuals or their designees: the Office of Policy and Management (OPM) secretary, social services commissioner, consumer counsel, and the executive director of the Legal Assistance Resource Center. Many of the interests represented on the new board are represented on one or more of the existing boards.

Table 1: Appointed Membership

Appointing entity/authority	Representing/having background in
Electric companies (2)	Each company
Gas companies	Two representatives of the industry
CT Municipal Electric Energy Cooperative	The cooperative
Senate minority	Retail oil or propane company with

leader	conservation experience
House minority leader	Statewide business association, manufacturing association or chamber of commerce, representing businesses with more than 50 employees
Senate president pro tempore	Residential consumers of energy and utility services
Senate majority leader	Private state-wide environmental protection organization
House speaker	Individual with expertise in energy and security matters
House majority leader	Individual with expertise in developing community-based energy efficiency and renewable efforts
Governor (6)	<p>Retail deliverable fuel company other than oil, with conservation experience</p> <p>Private sector businesses engaged in developing or selling renewable or efficiency technology</p> <p>Private sector businesses with experience investing in renewable or efficiency technology</p> <p>A statewide business association, manufacturing association or chamber of commerce, representing businesses with fewer than 50 employees</p> <p>Education and training for green jobs</p> <p>Experience in residential conservation, renewable resources and environmental matters</p>

The bill requires all of the appointed members to have expertise in energy, conservation, or renewable resources matters. The appointed members serve for five-year terms and may be reappointed. The board must elect a chairperson and vice-chairperson from among its members annually and adopt bylaws and procedures it deems necessary. Board members are unpaid, but may receive reimbursement for necessary expenses.

Under the bill, representatives of the various energy industries, including CMEEC, may not vote on matters before the board unrelated to their industries; this is current law with regard to the participation of electric and gas company members on the ECMB. The bill also prohibits the industry representatives on the new board from voting on matters regarding the retention and services of expert consultants or program evaluations.

RESPONSIBILITIES

The bill requires the board to:

1. advise CMEEC regarding municipal electric conservation programs;
2. advise the gas and electric companies on their conservation programs (currently ECMB's responsibility);
3. collaborate with the Department of Social Services (DSS) on coordinating energy and weatherization assistance it administers or funds with other conservation programs;
4. act on matters related to the Clean Energy Fund, including developing a comprehensive annual plan and spending its funds (currently REIB's responsibility);
5. oversee development and implementation of conservation assistance regarding fuel oil and other deliverable fuels (currently FOCB's responsibility);

6. facilitate the coordination and integration of energy, conservation, and renewable resources programs to simplify consumer access to integrated services of all available resources, minimize expenses in the administration of each program and reduce environmental impacts and security risks of energy in the state;
7. hold an annual public hearing on conservation, load management, and renewable resource plans and their implementation and summarize public comments for consideration by the board in developing future plans,
8. retain and direct expert consultants (authorized for the existing boards);
9. direct evaluations of energy efficiency programs; and
10. consolidate annual March 1st reports to the Energy and Technology, Environment, and Commerce committees documenting conservation and renewable resources program operations.

ADMINISTRATION OF DELIVERABLE FUELS PROGRAMS

The bill requires the new board to administer deliverable fuel conservation programs in much the same way as current law requires FOCB to administer fuel oil conservation programs. As under the current law governing FOCB, the board must establish itself as a 501(c)(3) tax exempt organization. The bill imposes program eligibility and evaluation provisions that are similar to those in current law.

As under current law, the bill funds these programs by the growth in petroleum products tax revenue over FY 06 levels, capped at \$5 million per year starting in FY 10. Unlike current law regarding FOCB, the board's decisions are subject to DPUC review and approval and the board is subject to the single state audit law.

The bill requires the board, by January 1, 2010 and after issuing a

request for proposals (RFP), to select an entity to administer and implement conservation and energy efficiency programs for deliverable fuel customers. The board must enter into a contract up to three years. At the end of the contract, the board may renew the contract if it finds that the administrator's performance has been satisfactory or issue a new RFP. Current law has parallel provisions regarding FOCB.

As under current law, the program administrator must adopt a comprehensive plan for spending funds to implement cost-effective conservation programs and market transformation initiatives for residential, commercial, and industrial deliverable fuel customers. In addition to the components of the current fuel oil plan, the bill requires the deliverable fuels plan to provide for reimbursement for services provided by including a management fee and disbursements from the deliverable fuel conservation account to develop and carry out the plan.

Under current law, in reviewing the fuel oil conservation plan, the FOCB must examine opportunities to offer joint programs that save more than one fuel or to coordinate programs targeted at saving more than one fuel. There is a parallel provision regarding the ECMB's review of electric and gas company plans. The bill extends this provision to apply to all of the plans reviewed by the new board. And it specifies that the board must conduct this review of joint programs to ensure available conservation and renewable resources are integrated as much as possible to simplify consumer access to integrated services of all available resources, minimize expenses in administering each program, and reduce the environmental impacts and security risks of energy in the state.

The board must assist the program administrator in developing and implementing the plan. The board must accept, modify or reject each program in the plan before the administrator submits it to DPUC for approval. By October 1st annually, the administrator must submit the plan to DPUC, which must approve, modify, or reject the plan. The

administrator must spend available funds in conformity with the approved plan.

The bill requires the new board to enter into a grant contract with the comptroller setting for the conditions under which funds from the deliverable fuel conservation account are expended. Under current law, disbursements from the fuel oil account must be authorized by the FOCB; the bill instead requires DPUC authorization from the successor deliverable fuels account.

Under current law, the attorney general must select a third party to audit the fuel oil conservation account. The bill has a similar requirement with regard to the successor account, but also requires that (1) the new board undergo the single state audit and (2) the auditor's report to the legislature determine whether the board's activities comport with state laws and generally accepted practices governing nonprofit organization operations. Under current law, the report goes to the Energy and Technology and Environment committees. The bill requires that the report also go to the Commerce Committee.

§ 2 — MUNICIPAL UTILITY PROGRAMS

The bill allows the fund that pays for municipal electric utility conservation and renewable energy programs to receive (1) any amount required by law to be deposited into the fund and (2) any federal or other funds as may become available to the state for conservation and load management and renewable resources.

Under current law, disbursements from the fund must be made under a comprehensive plan prepared by CMEEC. The bill makes the same type of programs that are currently eligible for the other conservation plans eligible for the municipal utility plan and subjects these programs to the same cost-effectiveness tests. It requires the board to (1) help CMEEC develop and implement the plan and (2) accept, modify, or reject each program in the plan before submitting the plan to DPUC for its approval. It requires the board to submit the

plan to DPUC by October 1st annually and requires DPUC to approve, reject, or modify it.

§ 3 — GAS CONSERVATION

The bill transfers to the new board the ECMB's powers and responsibilities regarding gas company conservation planning and program review.

The bill requires that copies of the gas companies' five-year reports of loads and resources go to the Environment and Commerce committees in addition to the entities that currently get the report. It requires that the annual report on program cost-effectiveness go to the Commerce Committee in addition to its current recipients and delays the deadline for submitting the report from January 1st to March 1st annually.

§ 4 — ELECTRIC CONSERVATION

The bill transfers to the board the ECMB's powers and responsibilities regarding electric company conservation planning and program review. It allows the Energy Conservation and Load Management Fund, which pays for electric company conservation programs, to (1) receive any amount required by law to be deposited into it and (2) receive any federal or other funds as may become available to the state for conservation and load management and renewable resources.

The bill requires each electric company, by October 1st annually, to submit to the DPUC a conservation plan to implement cost-effective energy conservation programs and market transformation initiatives.

Under current law, the electric company conservation plans must provide for expenditures by ECMB to retain consultants and for reasonable administrative costs. The bill transfers this responsibility to the board and limits these costs to 5% of the plan's cost, rather than 5% of the electric bill surcharge that pays for the programs.

The bill requires that the annual report that goes to the legislature

cover program funding rather than fund balances. It also requires that the report go to the Commerce Committee as well as its current recipients.

The bill eliminates a requirement that ECMB by December 31st every five years, evaluate the performance of the programs and activities supported by the fund and report to the Energy and Technology Committee. Under current law, the next report is due in 2011.

§ 5 — RENEWABLE ENERGY

Under current law, Connecticut Innovations, Incorporated, may spend money in the Clean Energy Fund upon authorization of the REIB. The bill instead requires the new board to act on matters related to the fund, including development of a comprehensive plan and expenditure of funds. It requires the board, by October 1st annually, to submit to DPUC a renewable resources plan for DPUC approval.

The bill requires that the plan ensure available conservation and renewable resources programs are integrated to the extent practicable to simplify consumer access to integrated services of all available resources, minimize expenses in the administration of each program and reduce environmental impacts and security risks of energy in the state. Any costs for joint programs must be allocated equitably among the programs. The bill requires DPUC to approve, modify, or reject the comprehensive plan.

Under current law, REIB must make a draft of its plan available for public comment for at least 30 days. The bill requires that the board do this at least once every 10 years. The bill requires the board to submit a copy of its plan to the Environment Committee as well as its current recipients.

The bill eliminates a requirement that REIB issue an annual report to DPUC reviewing the activities of the Clean Energy Fund and provide a copy of the report to the Energy and Technology and Commerce committees and the Office of Consumer Counsel. Instead, it requires the board to report to the two committees and the Commerce

Committee, by March 1st annually, on funding and spending on renewable resources programs in the prior year. The bill also eliminates a requirement that REIB, by December 31st every five years, evaluate the performance of the programs and activities supported by the fund and report to the Energy and Technology Committee. Under current law, the next report is due in 2011.

The bill instead requires the board by March 1st annually, to provide a report to the Energy and Technology, Environment, and Commerce committees that documents expenditures and funding for renewable resource programs conducted in the previous year.

§ 6 — ENERGY ASSISTANCE PLAN

By law, the DSS commissioner must, by August 1st annually, submit a Connecticut Energy Assistance Program plan to the Energy and Technology, Human Services, and Appropriations committees. The bill requires this plan to include a description of DSS' system for (1) identifying households to which it provides cash, medical, or food assistance who may be eligible for energy conservation assistance; (2) obtaining permission from these households to transmit information regarding them to the conservation programs to facilitate provision of available conservation resources, and (3) systematically transmitting household information to the conservation programs when permission has been obtained. The system must be part of DSS's application and periodic redetermination eligibility procedures. It must be developed in consultation with the board.

The bill also requires the DSS plan to identify the number of households to whom it provides cash, medical, or food assistance.

§ 7 — WEBSITE

The bill requires the new board to establish links on its web sites to the Energy Star program or successor program that promotes energy efficiency.

§ 8 — DPUC CONSULTATION

The bill requires DPUC to consult with the board, rather than with

ECMB, in (1) establishing a statewide energy efficiency and outreach marketing campaign and (2) developing a real-time energy report for daily use by television and other media.

§§ 9 AND 10 — CONFORMING CHANGE

This bill makes a conforming change necessitated by the establishment of the new board.

§ 11 — REPEALERS

The bill repeals provisions regarding the FOCB and a reporting requirement for municipal electric utility conservation and renewable energy programs.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 14 Nay 7 (03/19/2009)